

First Quarter 2015 Results

6 May 2015



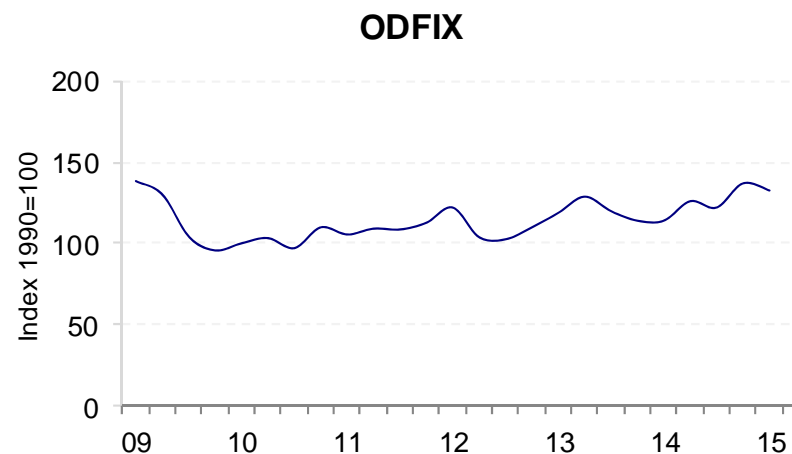
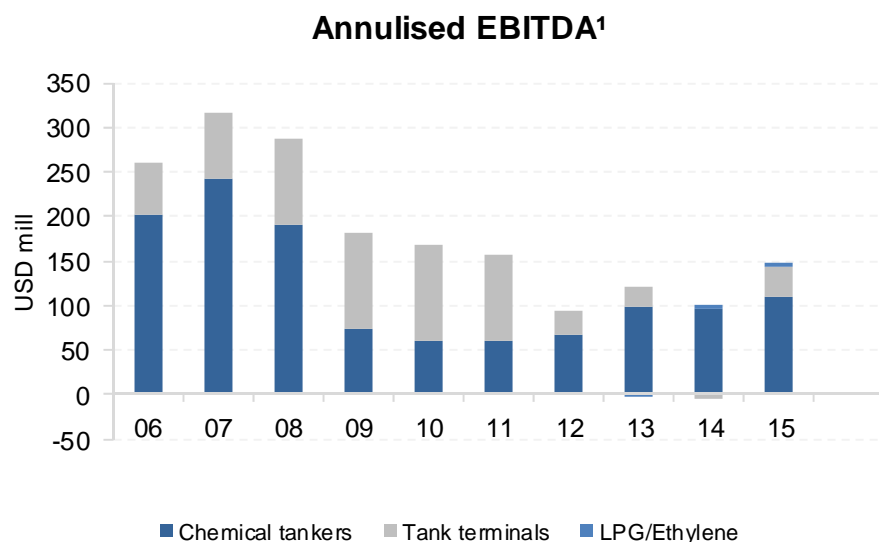
Agenda

- Highlights
- Financials
- Operational review
- Project Felix
- Market update and prospects



Highlights

- Chemical Tankers EBITDA was USD 26 million, which adjusted for non-recurring items was USD 4 million higher than last quarter. EBITDA includes negative effects from bunker derivatives of USD 15 million.
- Odfjell chemical freight index (ODFIX) and time charter result down 3% compared with the previous quarter.

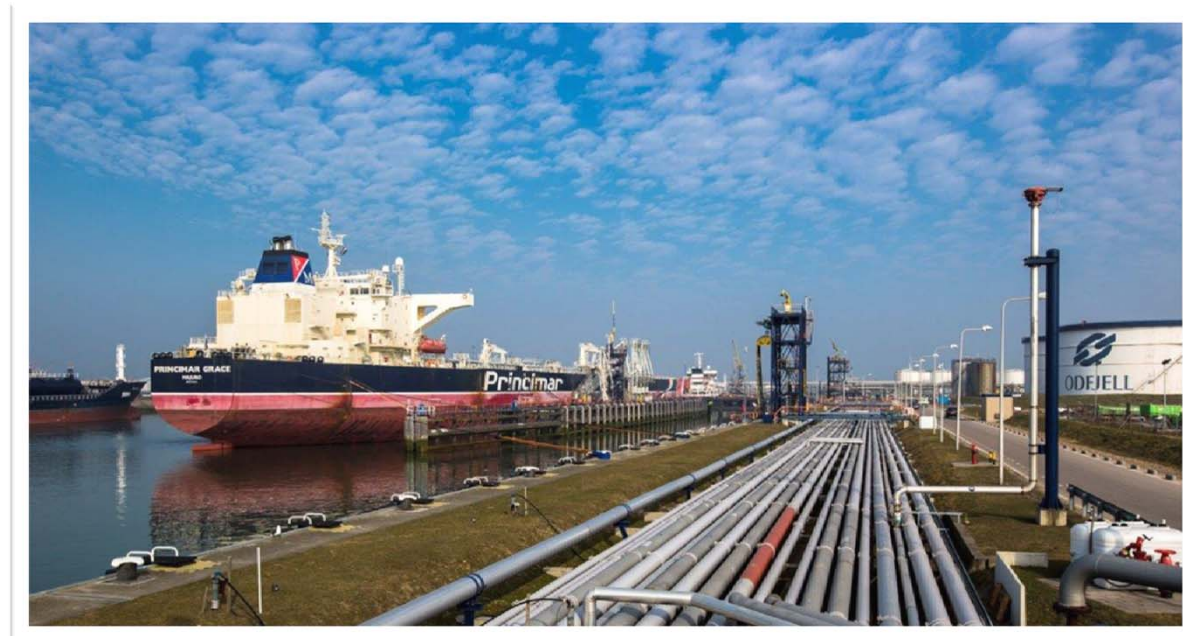


¹ Proportional consolidation method according to actual historical ownership share



Highlights

- The cost-cutting and efficiency programme is progressing as planned.
- Strengthened results from Odfjell Terminals, EBITDA of USD 9 million compared with USD 2 million in fourth quarter.
- Appointment of new President/CEO, Mr Kristian V. Mørch starting latest 1 November, 2015.



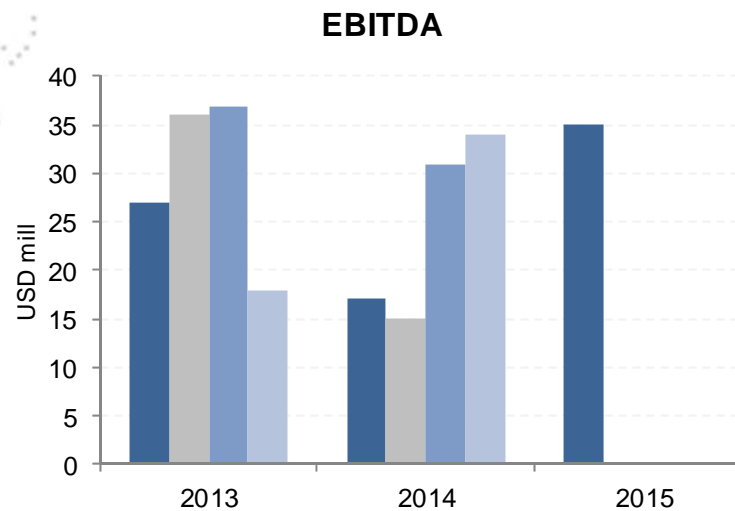
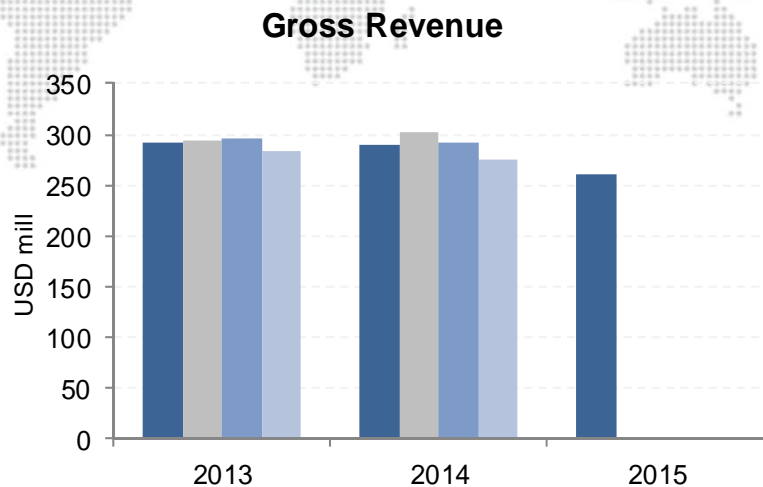
Income statement¹ - First quarter 2015

<i>USD mill</i>	1Q15	4Q14
Gross revenue	260	276
Voyage expenses	(106)	(118)
TC expenses	(40)	(42)
Operating expenses	(53)	(58)
General and administrative expenses	(26)	(32)
Operating result before depr. (EBITDA)	35	34
Depreciation	(30)	(29)
Operating result (EBIT)	5	5
Net finance	(37)	(26)
Taxes	(0)	4
Net result	(32)	(17)

¹ Proportional consolidation method

Quarterly figures¹

USD mill

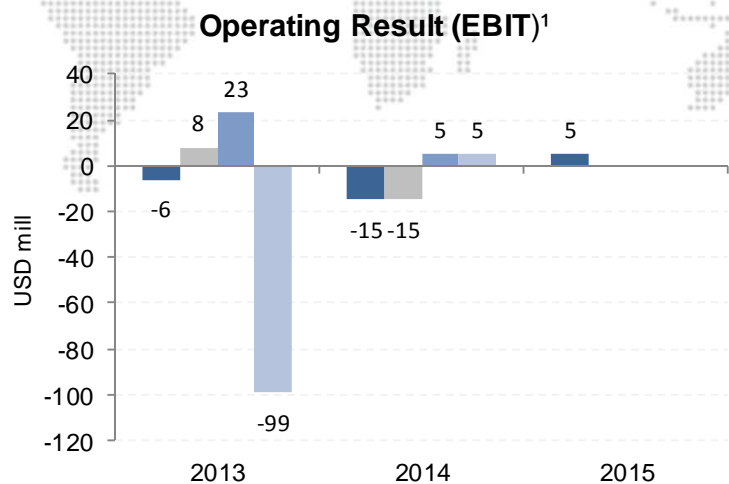


- *Slightly reduction in revenue.*
- *EBITDA improvement continues ,USD 35 million in first quarter compared to USD 34 million last quarter.*

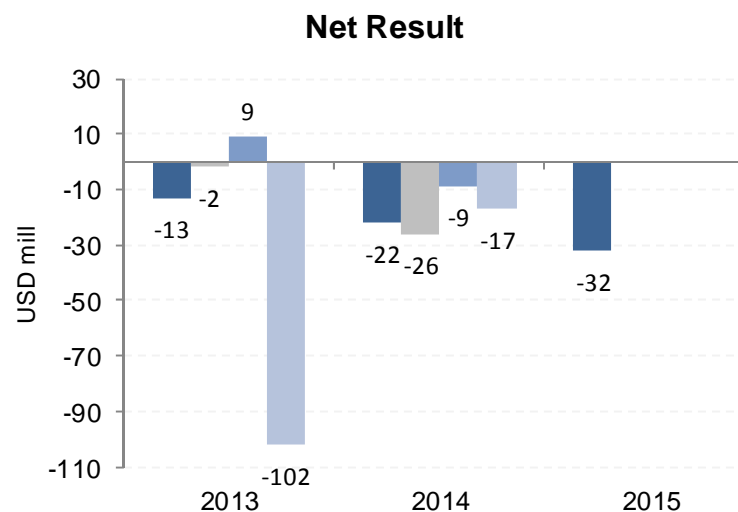
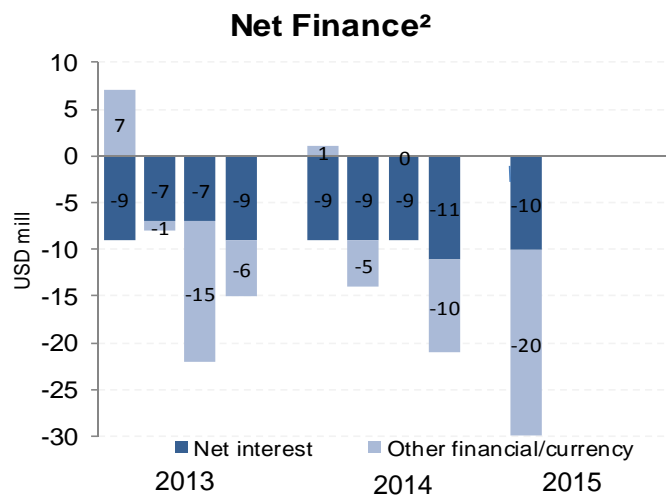
¹ Proportional consolidation method

Quarterly figures

USD mill



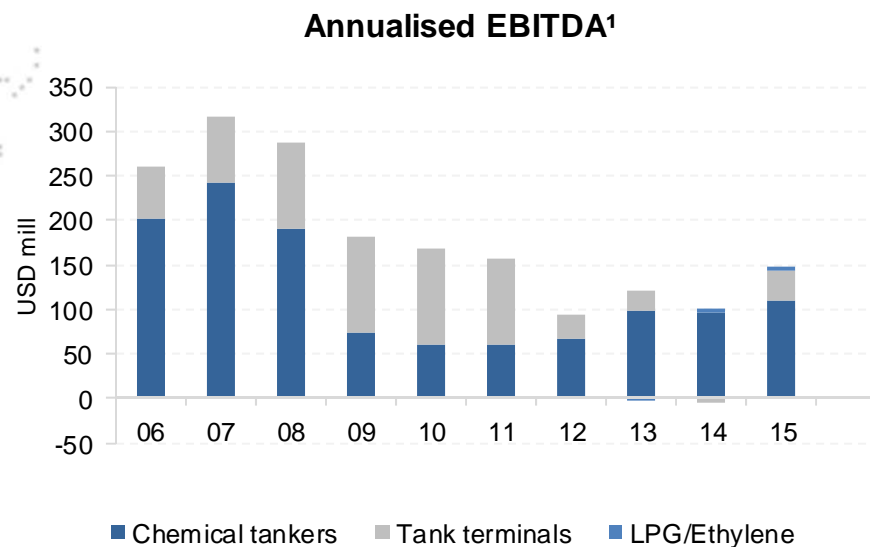
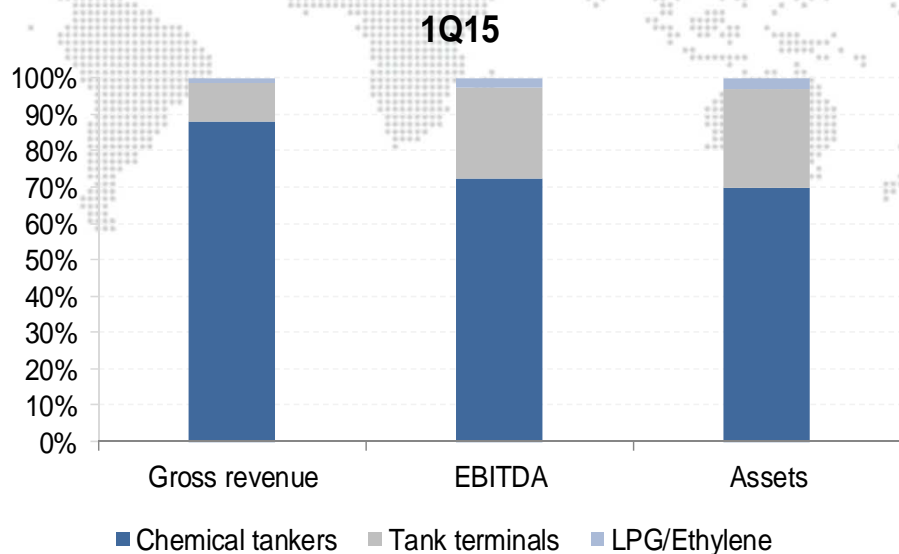
- EBIT 4Q14 includes reversal of impairment of USD 5 million .
- Unrealized negative value on derivatives USD 21.2 million posted other financial items .
- Stable interest.



¹ Proportional consolidation method

² Equity method

Results per segment¹



<i>USD mill</i>	1Q15			4Q14		
	Chemical tankers	Tank terminals	LPG/Ethylene	Chemical tankers	Tank terminals	LPG/Ethylene
Gross revenue	229	27	4	247	24	4
EBITDA	26	9	1	30	2	1
EBIT	4	1	1	5	(1)	1

¹ Proportional consolidation method



Income statement¹ – 1Q15 chemical tankers

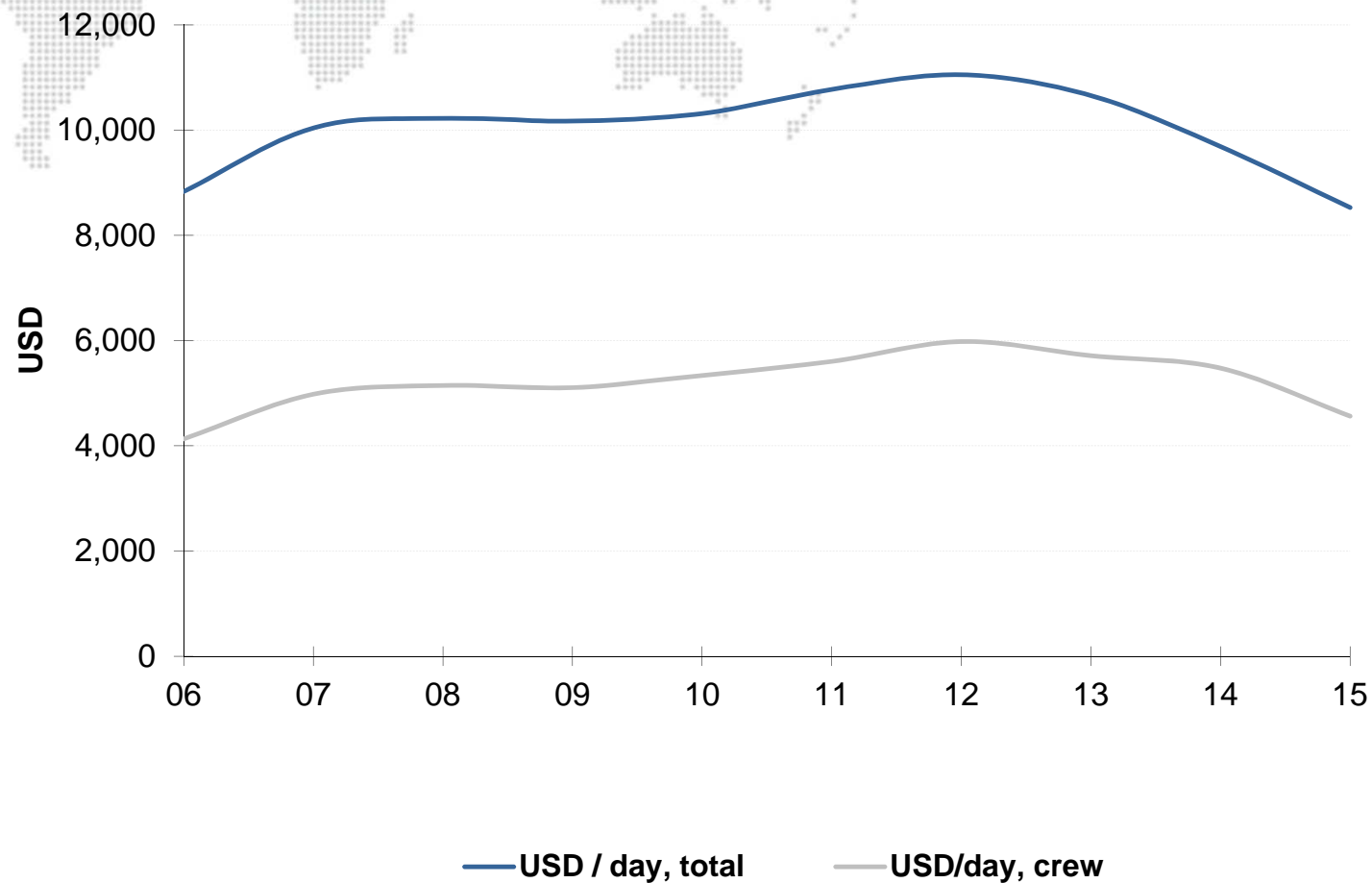
<i>USD mill</i>	1Q15	4Q14
Gross revenue	229	247
Voyage expenses	(104)	(117)
TC expenses	(38)	(41)
Operating expenses	(39)	(40)
General and administrative expenses ²	(22)	(18)
Operating result before depr. (EBITDA)	26	30
Depreciation	(22)	(21)
Impairment	-	(4)
Operating result (EBIT)	4	5

- *Bunker adjustment clauses impacted the gross revenue negatively with USD 10 million in 1Q15 (USD 2.7 million in 4Q14) , EBITDA also includes negative effects from bunker derivatives of USD 15 million (USD 16.6 million in 4Q14).*
- *EBITDA includes provisions of USD 2 million for redundancy packages vs. a gain of USD 6 million in 4Q14.*

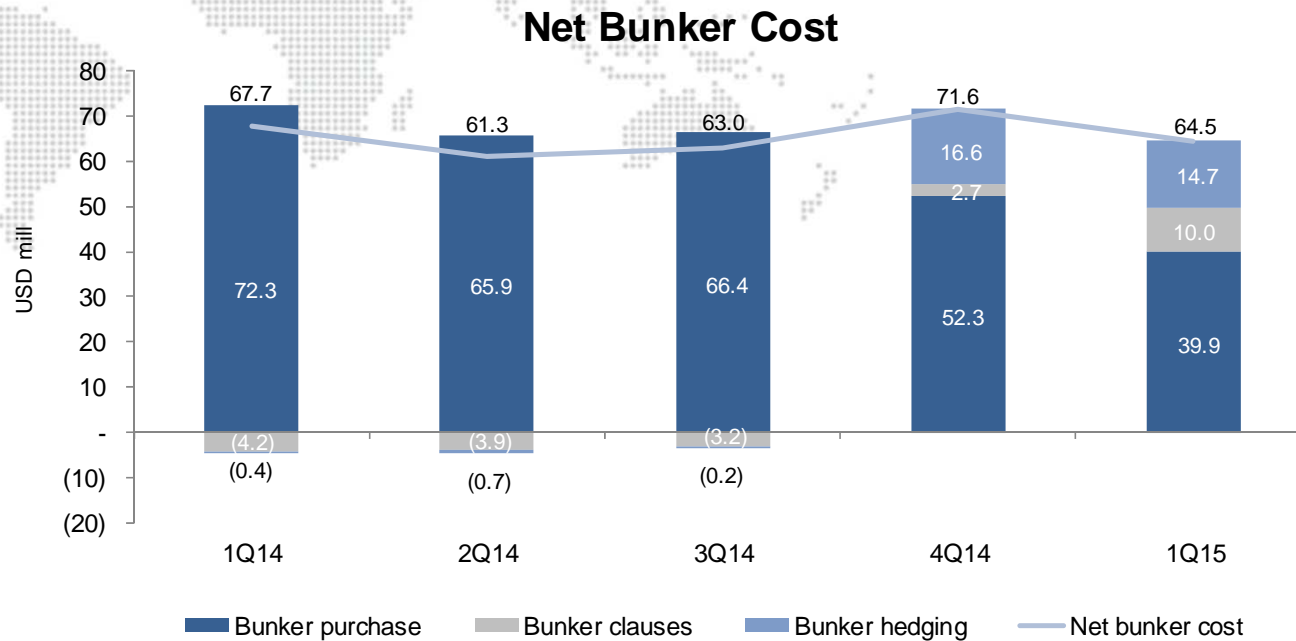
¹ Proportional consolidation method

² Including corporate functions

Vessel operating expenses - *chemical tankers*



Bunker development



Platts 3.5% FOB Rotterdam



- Net bunker cost in 1Q15 was USD 475 per tonne before hedging vs. USD 565 last quarter.
- About 50% of the 2015 exposure is hedged at an average of USD 525 per tonne.
- Bunker clauses in CoAs cover about 50% of the exposure.

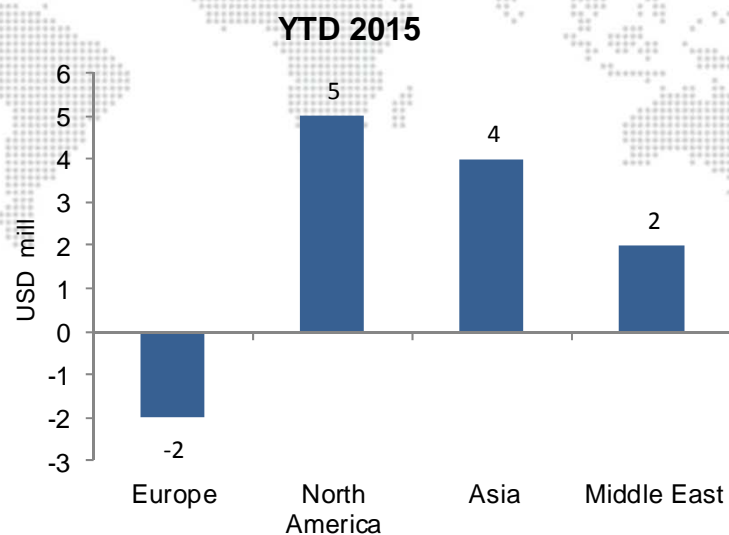
Income statement¹ – 1Q15 tank terminals

<i>USD mill</i>	1Q15	4Q14
Gross revenue	27	24
Operating expenses	(14)	(17)
General and administrative expenses	(4)	(5)
Operating result before depr. (EBITDA)	9	2
Depreciation	(8)	(9)
Impairment (reversal)	-	5
Capital gain/(loss)	-	0
Operating result (EBIT)	1	(1)

- *The tank terminal segment shows improvements and delivers a positive operating result.*
- *The gross occupancy rate improved to 91% versus 87% last quarter .*

¹ Proportional consolidation method

Tank terminals EBITDA – by geographical segment



- The tank terminal group delivered an EBITDA of USD 9 million in 1Q15.
- Strengthened results in most areas.

EBITDA Tank Terminals by geographical segment	1Q15	4Q14
Europe	(2)	(7)
North America	5	3
Asia	4	3
Middle East	2	2
Total EBITDA	9	2

Balance sheet¹ – 31.03.2015

<i>USD mill - Assets</i>	
Ships and newbuilding contracts	1 294
Other non-current assets/receivables	76
Investment in associates and JV's	376
Total non-current assets	1 745
Available-for-sale investments and cash	112
Other current assets	122
Total current assets	234
Total assets	1 980

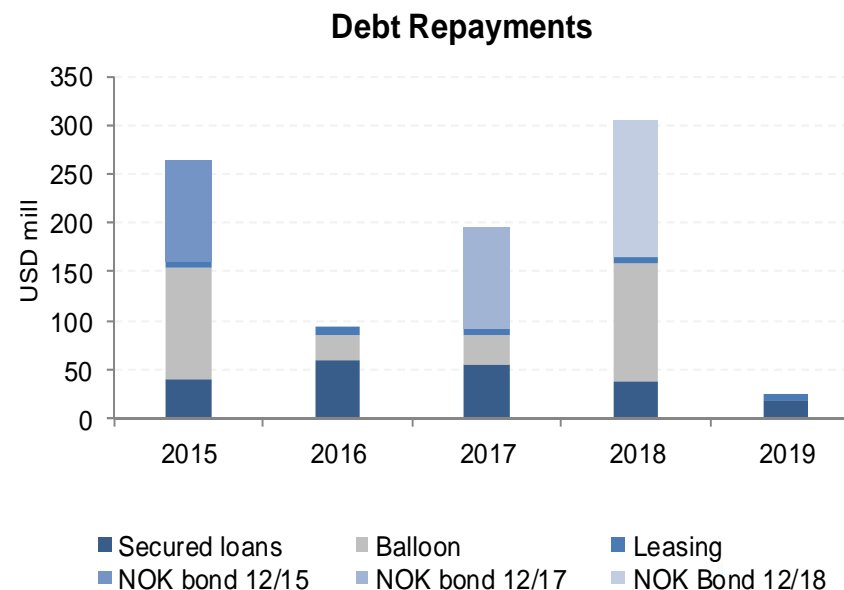
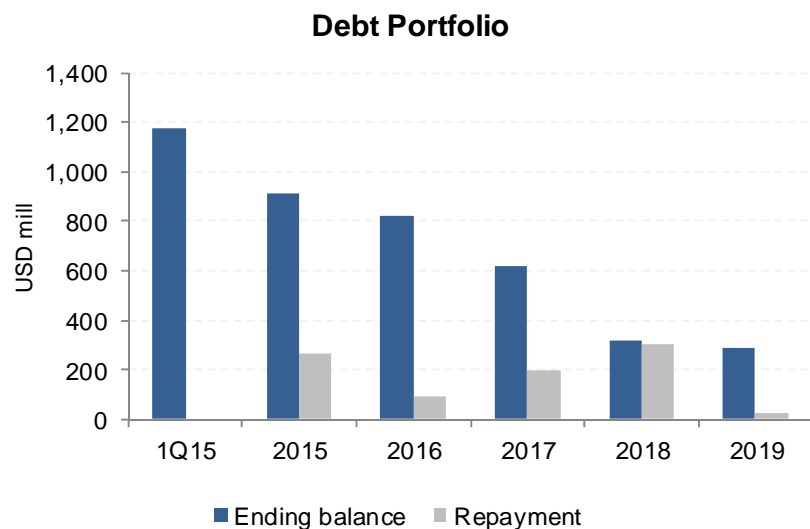
<i>Equity and liabilities</i>	
Total equity	604
Non-current liabilities and derivatives	47
Non-current interest bearing debt	879
Total non-current liabilities	926
Current portion of interest bearing debt	296
Other current liabilities and derivatives	152
Total current liabilities	449
Total equity and liabilities	1 980

- *Cash balance of USD 112 million - excluding JV's cash.*
- *Net investment in tank terminals JV's USD 313 million.*
- *Unrealised negative value on hedging derivatives with negative equity effect of USD 49.3 million.*
- *Equity ratio 30.5%.*

¹ Equity method

Debt development – 31.03.2015

- We are on track with the refinancing of mortgage loans maturing in 2015.
- New loan facility drawn in 1Q15 in connection with delivery of Bow Triumph.
- Anticipate to have completed all refinancing of mortgage loans within 2Q15.
- Expect to raise additional liquidity when refinancing mortgage loans.
- NOK 600 million bond matures in December 2015.



Capital expenditure programme

<i>In USD mill – per 31.03.2015</i>	Remaining 2015	2016	2017	2018	2019
<i>Chemical Tankers, Odfjell share</i>					
Docking	15	18	17	17	17
Other investments	5	4			
<i>Odfjell Gas, 100%¹⁾</i>					
Sinopacific, 4 x 17,000 cbm	18	131			
Sinopacific, 4 x 22,000 cbm	5	30	144		
<i>Tank Terminals, 100%</i>					
Planned capex	56	54	32	7	5

¹⁾ Odfjell SE (50% owner) is committed to inject up to USD 50 million in equity in 2015 - 2017

Terminal projects and expansions

- In Houston, the new 17,150 cbm tank pit (Bay 10) is under construction with an expected completion date in the fourth quarter 2015 .
- The construction of the new Tianjin Terminal in China was mechanically completed, as of April 2015.
- The jetties are operational and the tank farms are currently receiving operating permits from the necessary authorities.



New tank farm at the Tianjin Terminal in China

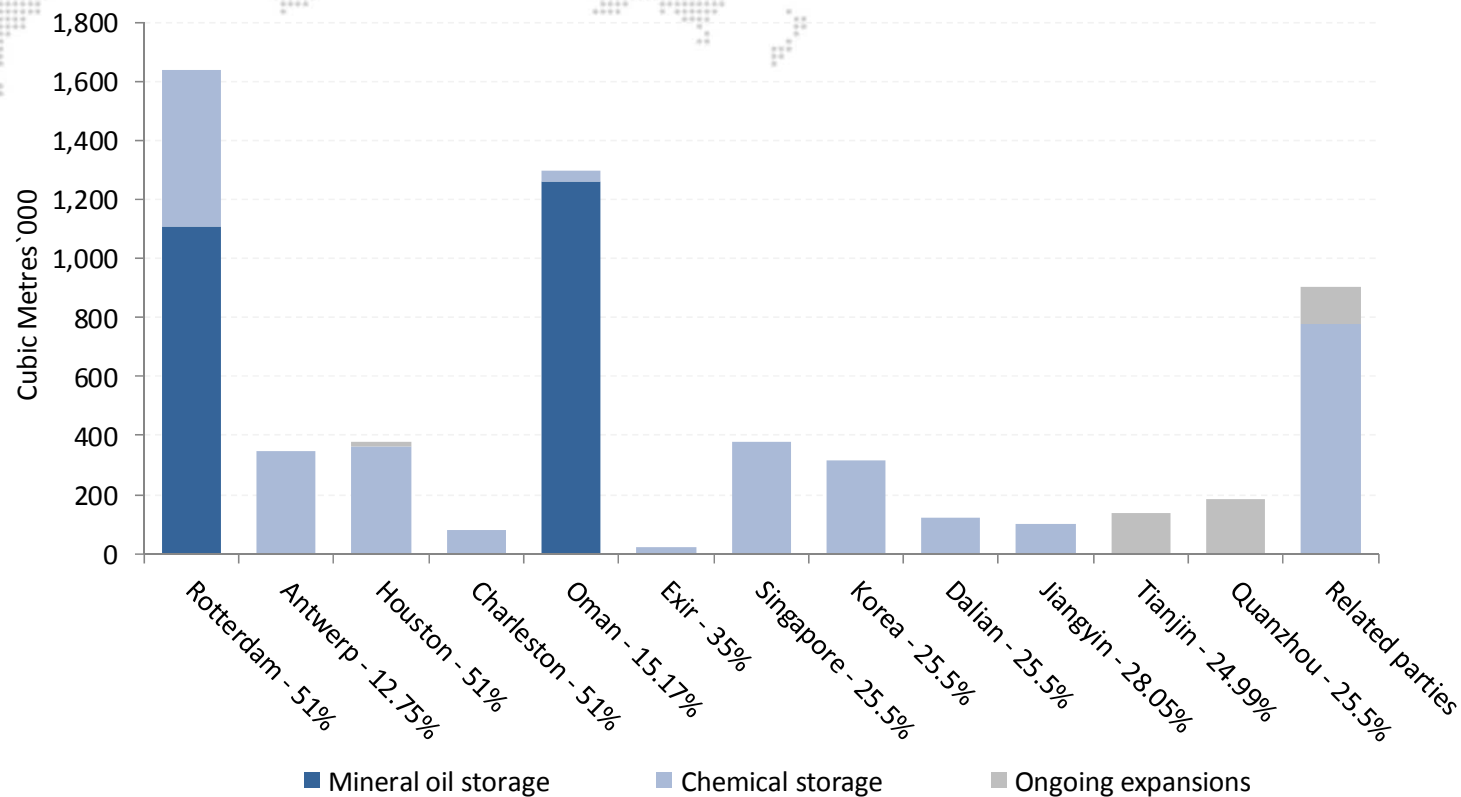


The first customer discharging cargoes in Tianjin

Tank terminal capacity

Total capacity in CBM (incl. related parties):

Current capacity	5,431,790
Ongoing expansions	467,542



* Odfjell's ownership share in the respective tank terminals is shown in percentage



Odfjell Terminals (Rotterdam) – *current status*

- Distillation (PID) business and re-organization strategy implemented last year has improved the results further.
- EBITDA negative USD 2 million in 1Q15 (Odfjell share), compared to negative USD 7 million last quarter.
- Available capacity increased from 550,000 cbm year end 2014 to 826,000 cbm per March.
- As of March the commercial occupancy was at 87%, and 100% per April.
- The distillation columns are fully operational, utilizing all columns for the first time since 2012.
- Management is contemplating bringing on additional commercial capacity based upon market demand.

Odfjell Gas Carriers

- Continued positive results from the operations in 1Q15.
- Positive contribution from continued long-haul activity.
- Expectations for 2Q15 are on par with 1Q15.

<i>USD mill</i>	1Q15	4Q14
Gross revenue	4	4
EBITDA	1	1
EBIT	1	1

Fleet development - last 12 months

Fleet additions		DWT	Built	Tanks	Transaction
April 2015	Marex Noa	12 478	2015	Stainless	Long-term TC
March 2015	Gion Trader	19 883	2015	Stainless	Medium-term TC
January 2015	Bow Triumph	49 600	2015	Coated	Owned
October 2014	Bow Trident	46 600	2014	Coated	Owned
August 2014	Kristin Knutsen	19 152	1998	Stainless	Short-term TC
June 2014	Bow Tribute	46 000	2014	Coated	Bareboat
May 2014	UACC Mansouria	45 352	2013	Coated	Short-term TC
April 2014	Bow Trajectory	46 000	2014	Coated	Bareboat
April 2014	Bow Harmony	33 619	2008	Stainless	Purchase

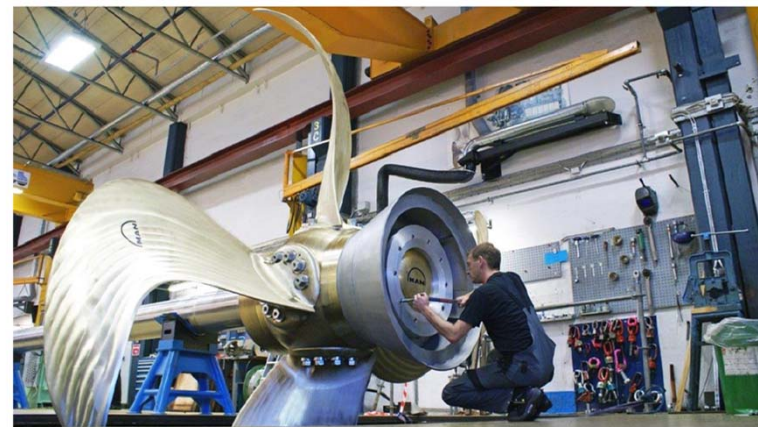
Fleet disposals, owned		DWT	Built	Tanks	Transaction
January 2015	Bow Pilot	6 008	1989	Stainless	Sale

Short-term: Up to one year
 Medium-term: 1-3 years

Odfjell has no further chemical tankers on order, but has medium term time-charter contracts for newbuildings on order by third parties

Reducing cost and improving efficiency

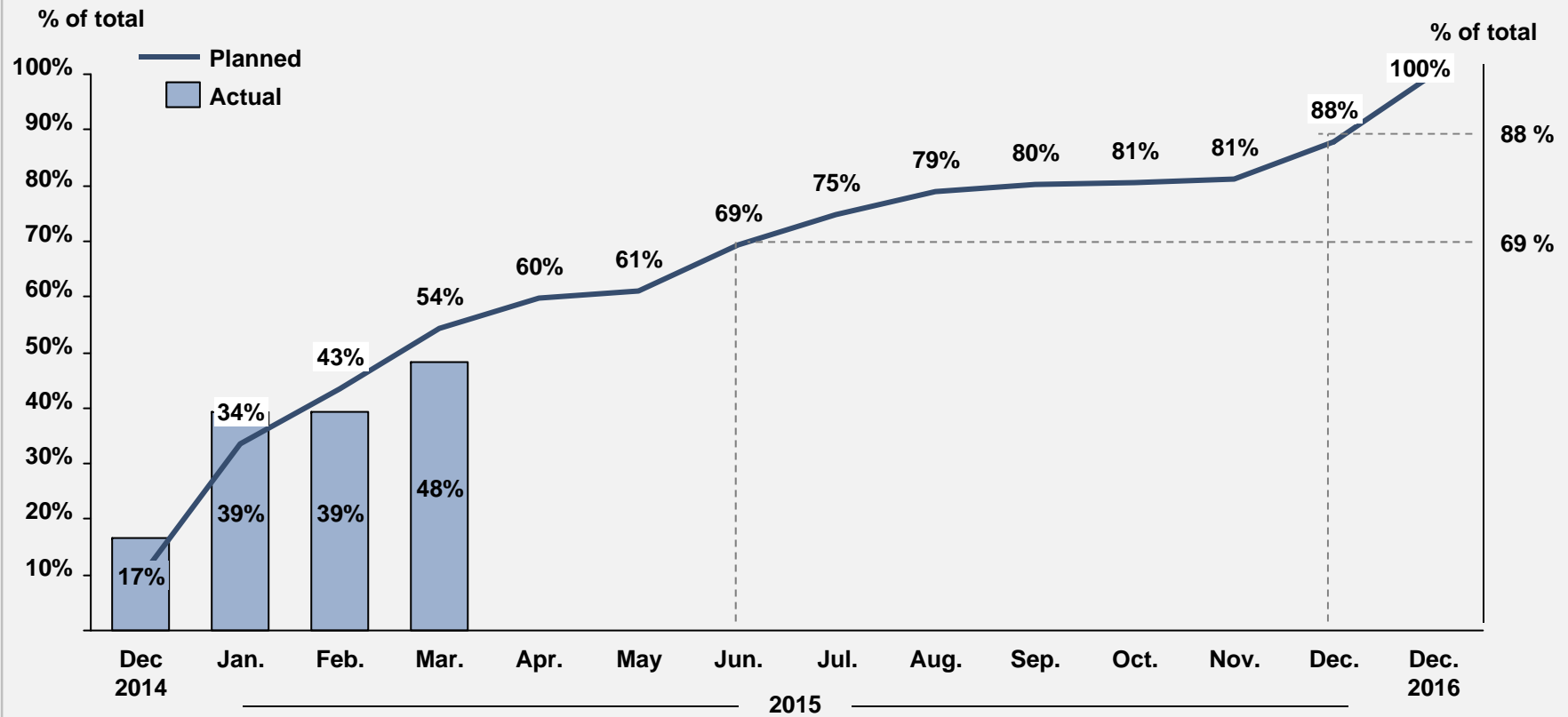
- Project Felix has been running for three months.
- FTE reductions are on track for all improvement areas. 48% of employees redundant before September 2015 (excluding early retirement) have new employment or confirmed future plans
- Cost reduction initiatives are ahead of schedule. Focus for next two quarters will be on profitability improvement and fleet optimization.
- Bunker initiatives are expected to take full effect end 2015 and 2016.
- The goal is to implement improvement initiatives that will improve our net result by in excess of USD 100 million on a yearly basis within end of 2016.



48% of Felix improvements are implemented

Approximately 10% behind plan

Total profit improvement potential (%,"run rate", March 2015)

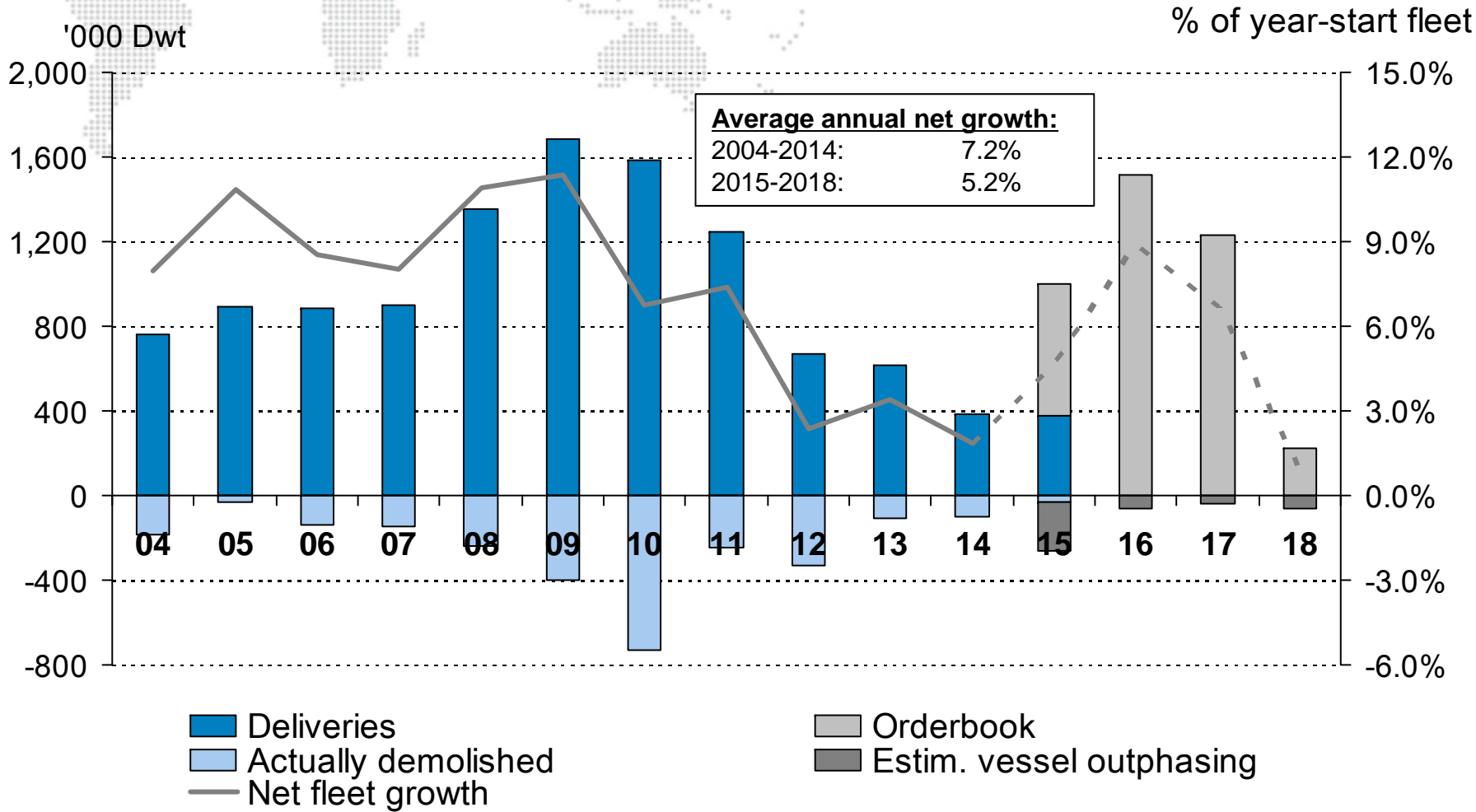


Market update – *chemical tankers*

- The activity in the quarter was steady, both with respect to our contract and spot cargoes.
- ODFIX index closed 3% lower than previous quarter.
- Slightly reduction in volume.
- A continued strong clean petroleum market (CPP market.)
- Contracts are mostly renewed at higher rates and adjusted for lower bunker price.

Core Chemical Deep-sea Fleet 2004-2018

Orderbook and estimated demolition per April 21st, 2015



Source: Odfjell FLEETBASE

* Outphasing 30 years (Europe built) and 25 years (Asian built)

Prospects

- The U.S. economy's growth is expected to reach at least 3% during the next quarters.
- The pace of the euro area's recovery improves.
- We expect continued improved results for our chemical tankers.
- We expect increased earnings at the Odfjell Terminals due to capacity expansions and continued positive development at Odfjell Terminals (Rotterdam).



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Thank you



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